

**ATHLETIC DEPARTMENT
LOUISIANA TECH UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**
Ruston, Louisiana

Financial Statement and
Independent Auditor's Report
For the Year Ended June 30, 2003

February 11, 2004



DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

Albert J. Robinson, Jr., CPA

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Thirteen copies of this public document were produced at an approximate cost of \$26. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. A copy of this document is available on the Legislative Auditor's Web site at www.la.state.la.us. When contacting the office, you may refer to Agency ID No. 3476 or Report ID No. 03403516 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Director of Administration, at 225/339-3800.

**ATHLETIC DEPARTMENT
LOUISIANA TECH UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Ruston, Louisiana**

Financial Statement and
Independent Auditor's Report
For the Year Ended June 30, 2003

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

February 11, 2004

**ATHLETIC DEPARTMENT
LOUISIANA TECH UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

Financial Statement and
Independent Auditor's Report
For the Year Ended June 30, 2003

CONTENTS

	Statement	Page No.
Independent Auditor's Report on Applying Agreed-Upon Procedures		2
Financial Statement - Statement of Revenues and Expenditures (Unaudited)	A	7



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

January 23, 2004

Independent Auditor's Report on
Applying Agreed-Upon Procedures

DR. DANIEL D. RENEAU, PRESIDENT
LOUISIANA TECH UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Ruston, Louisiana

We have audited the basic financial statements of the University of Louisiana System, as of and for the year ended June 30, 2003, and have issued our report thereon dated December 10, 2003. Louisiana Tech University is a part of the University of Louisiana System. As requested by the university, we have also performed the procedures, as enumerated below, which were agreed to by management of the university. These procedures were applied to the accounting records and internal controls of the Louisiana Tech University Athletic Department and to the related outside organizations created for or in behalf of the university's intercollegiate athletic programs for the year ended June 30, 2003, solely to assist the university in complying with National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of management of Louisiana Tech University. Consequently, we make no representation regarding the sufficiency of the procedures that described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are as follows:

STATEMENT OF REVENUES
AND EXPENDITURES

1. We obtained written representation from management as to the fair presentation of the Statement of Revenues and Expenditures of the intercollegiate athletic programs for the year ended June 30, 2003, as shown on Statement A. We also verified the mathematical accuracy of the amounts on the statement and agreed the amounts to the university's general ledger.

We found no exceptions as a result of these procedures.

LEGISLATIVE AUDITOR

**DR. DANIEL D. RENEAU, PRESIDENT
LOUISIANA TECH UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

Auditor's Report, June 30, 2003

2. We compared the Statement of Revenues and Expenditures of the inter-collegiate athletic programs for June 30, 2003, and June 30, 2002, to identify variances of 5% or greater between individual revenue and expenditure accounts.

As a result of our procedure, we identified variances of 5% or greater in the following revenue and expenditure accounts, for which the university provided satisfactory responses:

<u>Revenues</u>	<u>Expenditures</u>
Ticket sales	Related benefits
Media (Advertising)	Operating services
Game guarantees	Travel
Foundation/private gifts	Supplies
Programs	Equipment
Other income	
College work-study	

3. We compared the budgeted expenditures to actual expenditures for the year ended June 30, 2003, to identify any variances of 5% or greater in individual expenditure accounts. As a result of our procedure, we identified variances of 5% or greater in the following expenditure accounts, for which the university provided satisfactory responses:

Salaries	Travel
Fringe benefits	Equipment
Game guarantees	Operating services
Athletic scholarships	Supplies
Administrative charge	College work study

4. We obtained from university management a list of contributions received by the athletic department to identify any individual contributions that constituted more than 10% of the total contributions.

No individual contributions were received by the athletic department that exceeded 10% of the total contributions.

LEGISLATIVE AUDITOR

**DR. DANIEL D. RENEAU, PRESIDENT
LOUISIANA TECH UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

Auditor's Report, June 30, 2003

INTERNAL CONTROL - POLICIES AND PROCEDURES RELATING TO INTERCOLLEGIATE ATHLETICS - AGREED-UPON PROCEDURES

5. We made inquiries of management and obtained the university's organization chart, employee job descriptions, and written athletic department policies and procedures to identify aspects of internal control unique to the university's intercollegiate athletic department and to detect deficiencies in the components of those controls.

We detected no deficiencies in the components of the internal controls unique to the university's intercollegiate athletic department.

6. We performed tests of controls unique to the university's intercollegiate athletic department to determine adherence to established policies and procedures related to revenues and expenditures:

- a. We selected the two largest cash receipt batch sheets of ticket sales and followed them through the university's cash control system.

We found no exceptions as a result of this procedure.

- b. We selected the ten largest athletic department cash disbursement transactions and followed them through the university's accounting system.

We found no exceptions as a result of this procedure.

- c. We conducted inquiries and observations of the athletic department personnel to determine their compliance with policies and procedures relating to the control and safeguarding of unsold tickets.

We found no exceptions as a result of this procedure.

7. We inquired of management about the involvement of the university's internal auditor in the intercollegiate athletic programs.

No reports were issued by the internal auditor relating to the intercollegiate athletic programs.

8. We obtained the university's procedures for gathering information on the nature and extent of booster group activity for or in behalf of the university's

LEGISLATIVE AUDITOR

**DR. DANIEL D. RENEAU, PRESIDENT
LOUISIANA TECH UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

Auditor's Report, June 30, 2003

intercollegiate athletic program to identify deficiencies in the design of those procedures.

We found no deficiencies in the design of the university's procedures for gathering information on the nature and extent of booster group activity for or in behalf of the university's intercollegiate athletic program.

EXPENDITURES OF OUTSIDE ORGANIZATIONS MADE FOR OR IN BEHALF OF THE LOUISIANA TECH UNIVERSITY INTERCOLLEGIATE ATHLETIC PROGRAM

9. We obtained written representation from management of the university that the listing of booster groups given to us from the university are the only outside organizations created for or in behalf of the athletic department.

The only booster group created for or in behalf of the athletic department is the Louisiana Tech University Foundation, Inc.

10. We obtained the Statement of Cash Receipts and Disbursements from representatives of the Louisiana Tech University Foundation, Inc., and agreed the statement to the organization's accounting records.

We found no exception as a result of this comparison.

11. We compared the cash disbursements made by outside organizations for or in behalf of the athletic department to the revenue reported to the university with the revenues reported on the university's Statement of Revenues and Expenditures (Statement A) and no reconciling items were identified.

We found no exceptions as a result of this comparison.

12. We compared the direct and in-kind payments from the Louisiana Tech University Foundation to the university with the revenues reported on the university's Statement of Revenues and Expenditures (Statement A).

We found no exceptions as a result of this comparison.

13. We obtained the independent auditor's report for the Louisiana Tech University Foundation, Inc., and Louisiana Tech Alumni Association, Inc., to identify any reportable conditions relating to their internal control and made inquiries of management to document any corrective action taken in response to the reportable conditions.

LEGISLATIVE AUDITOR

**DR. DANIEL D. RENEAU, PRESIDENT
LOUISIANA TECH UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

Auditor's Report, June 30, 2003

The financial statements of the Louisiana Tech University Foundation, Inc., and the Louisiana Tech Alumni Association, Inc., were audited by an independent certified public accounting firm for the year ended June 30, 2003. The audit reports are dated October 9, 2003, and December 11, 2003, respectively, and included no reportable conditions relating to the outside organization's internal control.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the Statement of Revenues and Expenditures of the intercollegiate athletic programs. Accordingly, we do not express such an opinion. Also, we express no opinion on Louisiana Tech University internal control over financial reporting or any part thereof. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of Louisiana Tech University and is not intended to be, and should not be, used by anyone other than management of the university. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Grover C. Austin". The signature is fluid and cursive, with the first name "Grover" and last name "Austin" clearly distinguishable.

Grover C. Austin, CPA
First Assistant Legislative Auditor

CTV:WJR:RR:ss

[LTUNCAA03]

**ATHLETIC DEPARTMENT
LOUISIANA TECH UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Statement of Revenues and Expenditures
For the Year Ended June 30, 2003**

REVENUES

State General Fund	\$2,480,026
Ticket sales	1,013,416
Guarantees	1,382,553
Foundations, private gifts	411,298
Corporate sponsorships	256,438
Program sales	43,458
Concessions	22,426
In-kind contributions	1,247,694
Conference distribution	633,685
Vending	147,473
Media	145,156
College work study	4,334
Other	212,046
Total revenues	<u>8,000,003</u>

EXPENDITURES

Personal services:	
Salaries	2,147,071
Related benefits	503,650
Travel	1,253,347
Operating services	1,559,656
Supplies	501,005
Administrative charge	133,921
Fund raisers	35,343
Professional services	194,333
Other charges:	
Scholarships	1,581,761
Equipment	4,817
Total expenditures	<u>7,914,904</u>

EXCESS OF REVENUES OVER EXPENDITURES

\$85,099